

# SHAREHOLDER BULLETIN

## OMDA Oil & Gas, Inc. Continues Newsletter Series

### Quick Facts:

**Stock Symbol:** OMOG

**YTD High:** \$0.0161

**YTD Low:** \$0.004

**Outstanding Shares:**

1,699,000,419

**Transfer Agent:**

Signature Stock Transfer

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OMDA Oil & Gas, Inc. is pleased to be releasing this installment of its company newsletter series. The company has decided to combine all remaining issues along with its company outlook into one larger release. Since this newsletter will be reiterating past information, while at the same time relaying the company's vision for the future, this series will present information in a topical format rather than the standard Q&A format. Even though this will be concluding the Q&A series, the company sincerely encourages all of its investors to keep submitting their questions to [IR@Omogoil.com](mailto:IR@Omogoil.com). This will help management gauge the public's interests and concerns.

### Reverse Splits & Funding

I have stated numerous times before that I do not favor a reverse split anytime soon. I have always maintained that a reverse split would only be appropriate when OMDA had the assets, financials etc. to be listed on the OTCBB or a higher exchange. Despite my repeating these sentiments over the last two years, I am informed by our IR department that this question is still being asked on a daily basis. Due to this fact, **I am stating one last time: the company will not perform a reverse split, unless OMDA has met the aforementioned requirements.**

The company's IR department has also informed me that there are still many questions concerning the company's future funding plans. As I stated in the past newsletters, I fully plan to finance the company using restricted stock. Even if the company wanted to do a 504 funding at this time, it is legally prohibited from doing such an offering until the end of the year. I am going to state now, so that everyone fully knows my intentions: **OMDA OIL & GAS, Inc. WILL NOT EXPLORE DOING ANOTHER 504 FUNDING FOR AT LEAST ONE YEAR.** I am currently reviewing with our legal counsel different agreements that the company can enter into that will guarantee no reverse splits and no 504 fundings.

I do not wish to mislead investors, OMDA Oil & Gas, Inc. is not a charity, it is a real company with a high monthly burn rate which will need to have funding to continue its daily operations and legal battles. In the mid to long term, OMDA should be in a considerably better financial state than it has ever been in before. In the short-term, there will be a need to have an influx of cash to secure financing for a few upcoming projects and daily operations. I have decided to personally extend to the company an equity line of credit of up to \$250,000. In an effort to not increase the outstanding share count at this time, this line will be a straight debt offering. In return, the debt will be convertible at different tranches as the share price increases. The first tranche of \$100,000 will be converted at .015. The second tranche of \$50,000 will be converted at .02, the third tranche of \$50,000 will be converted at .025, and the final tranche of \$50,000 will be converted at .03. The equity line will also have an exit strategy for me to regain the debt from revenues either from the Lanza lawsuit or other upcoming projects. This debt for equity conversion will carry a 0% interest rate. This is not an opportunity for me to make any money, but to offer the company some bridge financing for the next few months.

### Market Conditions

I, as Chairman of the company, can not comment directly on market conditions of the stock. I can say that I am pleased with its overall performance in the last few weeks. As I announced last week, I have been buying the stock in the open market. I do plan to continue to buy up to my legal limit, and I will announce these purchases with future press releases. I also want to

take this opportunity to relieve any doubts of my intentions for buying these shares. This is not some sort of quick in and out day-trading ploy. For one, all shares I purchase instantly become restricted and I become strictly forbidden from selling more than 1% per quarter. Over the past few years, my SEC attorneys have advised me to sell this 1% every quarter on a regular basis. This would prevent anyone from saying I have traded the stock on insider information. Over the past few quarters; however, I have not been selling and I have no plans of selling any stock in the near future. **In fact, I am having a lock-up agreement drawn up as we speak preventing me from selling one share of stock until May 2007.** In essence, this will mean that I have and will not sell one share of OMDA Oil & Gas, Inc. for one complete year.

#### **Projects:**

The company is currently looking into investing into two projects over the next 60-90 days. I feel that OMDA needs to re-think its project development philosophy of the past. Instead of investing and receiving larger percentages of "wild cat" or long shot wells, I believe we need to invest smaller percentages into already producing wells or more stable well areas. Granted 1 or 2 percent of producing wells will take the company longer to recoup its initial investment than if it hit a "gusher", but it builds a long lasting business structure. It is my plan to have OMDA invest in one of these types of projects every quarter. I believe that eight producing or stable well ventures, along with the outcome of the lawsuit will greatly increase OMDA's shareholder value and market cap over the next few years.

In addition to these two projects, I have been researching a significant merger or acquisition venture for OMDA. The target company is a publicly traded entity with millions in audited revenues and is profitable. I have spent much time traveling and meeting with these executives for almost 12 months now. If this venture is successfully completed, it will supply OMDA with considerable revenue flow. This undertaking will also serve to increase our current shareholder base by thousands. It should be noted, that any investments like this that would entail payment with company stock would only be done with restricted shares and would lock up any individuals or companies involved with a drip rule provision. These restricted issuances also would be done at much higher stock prices than the current market with a minimal share price of .015. It is far too early to reveal more details at this time, but I look forward to elaborating further over the coming weeks and months.

#### **Officers, Board of Directors, and other Consultants:**

I am in the process of actively searching for new directors. I am looking for individuals who can bring to the table a certain amount of oil and gas industry experience and have a clear understanding of the public market side of operations. It is my goal to have at least one new director added to the board within the next 60-90 days. I have always said that OMDA is a very lucky company in the sense that our shareholders have a wealth of knowledge on the subject of oil and gas operations. If any shareholders, through their industry experience, wish to nominate any individuals for consideration, I will always keep an open mind toward all applicants.

While we are searching for new directors and officers, I am pleased to announce that the company is continuing its consulting arrangement with William Dion. Mr. Dion will continue to act as an official Oil & Gas liaison between the company and well operators. His roll will be to identify new projects, as well as investigate all current prospective projects. As anyone who has worked with William in the past will tell you, he is a true asset to OMDA and will provide The company with much needed research assistance.

In addition to these directors and consultants, the company has identified an SEC qualified accounting firm. The company has brought in a bookkeeper to work with the day to day accounting firm and is actively preparing the all the necessary information needed for a full audit. I hope to have negotiations finalized with the auditing firm in the next few days. With the Lanza case and upcoming projects and ventures, It is crucial that OMDA get to audited status by the end of the year.

#### **Lawsuits:**

As everyone now knows, OMDA and the defendants attended a mediation on March 14th, unfortunately insufficient information was made available to reach a resolution. Since that time, Lanza's attorney has filed a motion to withdraw and we have named Black Dragon as defendants. We currently have served depositions for Tom Neely and Monte Anderson. OMDA is actively preparing for its November 13th trial date and we are more confident now than ever before in our position.

I am also planning on having a much needed shareholder meeting as soon as this lawsuit comes to a conclusion. I am arranging with ADP to do the required shareholder mailing. I will pick a day of the week and a centrally located place so that the highest possible turnout is achieved.

**Website:**

The company is currently re-designing its corporate website. The upcoming features for this site have been outlined in last week's press release. We are currently securing the contracts with the web vendors for time and sales, level two, real time quotes and charts. I have decided to add a Chairman's blog page to the upcoming site and combine this with the new SMS technology, so that I may instantly communicate with all shareholders. Again I urge everyone to contact IR@omogoil.com for any suggestions or comments.

It has been almost a month and half since we began this newsletter series back on June 1<sup>st</sup>. I feel since that time we have made very steady progress. The main objective was to improve communication with the shareholders, and I am convinced that we have accomplished that goal. The stock was trading near our lows at .004 and today is up over 60% since we further opened the lines of communication. I hope that we will continue to receive all of your questions and comments, and that the dialogue we have established over the past six weeks will not end with the conclusion of this Q&A newsletter series. I firmly believe, more now than ever before, that the future of OMDA is a bright one. With no reverse split, no 504 funding, a trial date in the Lanza case in a few months, a full SEC audit in the works, and upcoming ventures that could bring in significant monthly revenues and profits, I believe the company is taking all the right steps to establish OMDA Oil & Gas, Inc. as a thriving company. It is an honor to serve as chairman of this company, and a true privilege to be associated with its shareholders. I look forward to working together with all of you to lead OMDA to greater heights, and to grow it into a company we can all be proud of.

**This Newsletter may include forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties regarding various aspects of the OMDA. The Company is not obligated to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this letter.**